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TAGS: [PREL](#) [PGOV](#) [PHUM](#) [KDEM](#) [GG](#)
SUBJECT: GEORGIA: SAAKASHVILI WARNS OF EFFECTS OF ECONOMIC
CRISIS, ANSWERS TO THE OPPOSITION

REF: A. TBILISI 255
[1](#)B. TBILISI 276

Classified By: Charge d'Affaires A.I. Kent D. Logsdon for reasons 1.4 (b) and (d).

[1](#)1. (U) Summary: On February 12 President Saakashvili delivered his fifth annual state of the union address to the Parliament, which was attended by Members of Parliament, regional governors and the Mayor of Tbilisi, members of the Cabinet, the diplomatic corps including the Charge and a group of international and Georgian business representatives. This was Saakashvili's third major nationwide address since the August 2008 war. In a break from previous practice, Saakashvili remained at Parliament after his speech, listened to remarks from opposition and faction leaders, and responded to the issues they raised. The entire event lasted over four hours. Saakashvili focused primarily on the economy, and discussed other issues in this context. He dedicated barely 10 minutes of his initial hour-long address to foreign and domestic political issues. He limited his final remarks to less than an hour. Georgian Public Broadcaster (GPB) covered the event in its entirety although other major channels (Rustavi-2 and Imedi), gave complete coverage only to the President's initial speech, and not the opposition remarks that followed or the President's final statement.

[1](#)2. (SBU) Saakashvili was composed, agreeable, and measured throughout, setting the tone during his arrival in the hall as he straightened the tie of one of the MPs and shook hands with multiple members. He avoided heated rhetoric and praised the debate as the best he had ever seen in the Georgian Parliament, including his own days as an MP. Saakashvili engaged the opposition and agreed with some of their arguments, folding them into his own. He largely let two UNM MPs defend his government's track record and focused his comments on the economic and democratic future of Georgia. Some opposition leaders blasted the President over the state of affairs in the country, focusing on social needs, the lack of an independent judiciary, and disregard for democratic norms. Afterward, non-parliamentary opposition leaders largely dismissed the content of the President's speech, saying there was nothing new in it. They argued that he avoided addressing most political issues and dismissed the speech and debate as a "...performance, worthy of an A grade." End summary.

[1](#)3. (C) Comment: The content was not unexpected and specific details were few, but Saakashvili's delivery to the Georgian people was notable for its style and tone. While the event was carefully executed, Saakashvili took full advantage of his decision to stay after his speech and follow the debate. Saakashvili's speech was well-thought out and reflected extensive preparation, in contrast to his past speeches. Still exuding his trademark confidence, but seldom appearing smug, he spoke warmly and more briefly than usual. He sidestepped many of the opposition's criticisms, avoiding some outright. TV coverage of the event appeared poorly

coordinated to some viewers, but the concept of the president engaging parliamentary leaders from both sides of the aisle was a significant development. End comment.

IT'S THE ECONOMY, STUPID

14. (SBU) Saakashvili used his fifth annual report on the state of the union to boost his efforts to improve Georgia's economy. Saying that the economic outlook remained positive, the President focused on unemployment and business development and the need for political unity to confront development and the need for political unity to confront Georgia's challenges. He avoided most political issues. When he did touch on political areas, he largely did it in a call for cooperation to address the economic situation, which he described as "difficult, but not a crisis." He drew comparisons with the economic crises of other countries like Ukraine, noting that a failure to maintain peace and stability in Georgia would only increase Georgia's economic vulnerability. Saakashvili said the government would rein in its spending. The President said that his administration is open to dialogue with everyone (including opponents) on all reforms, economic and democratic, and asked for Parliament's and the country's support.

15. (C) On the Russia challenge, Saakashvili remained strident. He stressed that "the Russian people are not our enemy," but that Putin's aggressive policy toward Georgia is. Saakashvili said Russian authorities want to destroy Georgia's statehood, and that the country must meet this challenge with unity as well, but stressed that this challenge would be met in a peaceful manner. Saakashvili denied that Georgia had lost a war, saying that "losers or

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winners are only defined when the war is over. But, nothing is over yet." Saakashvili wondered aloud that if Russia had won, why does it continue spending millions of dollars on an information war against Georgia? (Comment: Most of Parliament appeared to agree with the President that the war is not over. End comment.) Saakashvili mentioned the importance of the U.S.-Georgia Charter and the strong support for Georgia that was evident at the recent Wehrkunde Security Conference -- a reference to VP Biden's statement about no recognition for Abkhazia and South Ossetia.

FACTION LEADERS RESPOND WITH CRITICISM

16. (SBU) Each parliamentary faction was then allowed to speak for 20 minutes. Giorgi Akhvlediani of the Christian-Democratic Movement (CDM) went on the attack first. He spoke in notably stronger terms than the CDM often uses in public. He accused Saakashvili of failing to address many problems in the country. He took the President to task on unemployment, pensions, the RAO Enguri Hydropower deal, and the need for an anti-monopoly system. He accused the government of devaluing democracy, and for failing to fully investigate the events of November 2007 (beating of protesters and break-up of Imedi TV) and other "political" attacks (i.e. Sandro Girgvliani's murder).

17. (SBU) Gia Tortladze spoke on behalf of the Strong Georgia faction. While admitting some progress by the government in democratic development, he said much more needs to be done, especially regarding rule of law. Restoration of justice (ending political pressure on judges), improving prison conditions, and protection of private property rights all need serious improvement. Tortladze also said IDPs from the 1990s' conflicts are neglected, and media still complains about governmental pressure. He said the administration should create a national analytical center to conduct the "information war" with Russia and work with Interpol on international charges against separatist leaders Sergei Bagapsh and Eduard Kokoity.

18. (SBU) Giorgi Gabashvili followed for the ruling United

National Movement (UNM). Gabashvili confidently delivered a perfunctory speech. He largely ignored the opposition's comments and defended the administration's proposals on the economy and social issues. He avoided most of the political complaints by the opposition (i.e. inadequate rule of law, pressure, etc.) and focused instead on the UNM's goals of liberal economic growth and development, as well as its goals for health care and social programs to ensure the security for all Georgians.

MINORITY LEADER TARGAMADZE SPEAKS UP

¶9. (SBU) In a bit of a national coming-out party, CDM leader Giorgi Targamadze took the floor as the Parliamentary Minority Leader for 20 minutes. Aggressive and animated, Targamadze tried to make the most of his brightest national spotlight thus far. He said the August war showed that a robust political system does not exist in Georgia, and he called for a constitutional commission to correct this. Targamadze repeatedly said the government system had been "usurped" by one man's will (Saakashvili's). He stated that he does not support another revolution, as the revolutions thus far in Georgia have led to weak and incompetent governance. Targamadze agreed with Saakashvili that the 200-year war with Russia is not yet over. Rather, he said this is further reason why the government must be made more robust with a system of checks and balances.

MAJORITY LEADER TSISKARISHVILI DEFENDS QMAJORITY LEADER TSISKARISHVILI DEFENDS

¶10. (SBU) Parliamentary Majority Leader Petre Tsiskarishvili responded to Targamadze by promoting UNM efforts. Not as polished a speaker as some others, Tsiskarishvili was assertive, but reasoned. He agreed that Russia was actively pursuing a puppet regime in Georgia. He said that the government, indeed the country, was pursuing real democratic reforms -- not for the international community's sake -- but because these reforms are needed. He shot back at Targamadze's accusations of failure to make democratic reforms by noting that Georgians can freely travel to Adjara now. (Note: This was a jab at Targamadze -- travel was impossible in 2003 when Targamadze represented Adjara warlord Aslan Abashidze in the Parliament. End note.)

SAAKASHVILI WRAPS IT UP

¶11. (SBU) Saakashvili had the final response, which lasted approximately 45 minutes. In an engaging manner, he welcomed the debate and all speakers' comments. He insisted that his

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address was not intended to be overly optimistic or to ignore hard truths. Rather, Saakashvili said it was focused on the future and meeting the pressing economic issues of the day. He stressed this was a call for dialogue, and noted that his administration will continue to pursue economic and democratic reforms (reftels) through direct dialogue. Saakashvili affirmed he would remain President until his term ends in 2013 and not longer. He agreed with some of the opposition's comments, such as the need to strengthen the judiciary and high prices of pharmaceuticals due to unfair competition. However, he defended his actions thus far as having made progress in these areas (he noted he had prosecuted or fired many judges, and that a former anti-monopoly system had not worked so he got rid of it). He also welcomed a recent CDM proposal on reforming the national security system. He disagreed, respectfully but adamantly, on media freedom saying it is free, but could be more professional.

OPPOSITION UNSATISFIED

¶12. (SBU) After the speech, both parliamentary and non-parliamentary opposition members criticized Saakashvili's address. They claimed it omitted serious issues, both

internal and external. One minority MP, Jondi Baghaturia, left the session before it began in protest since he was not allowed to speak on the floor. (Note: This was because he is not a member of any faction and the Speaker ruled prior to the session that single-member factions would not have the right to speak. End note.) Strong Georgia faction member Gia Tsagareishvili said the President failed to address nearly all of the opposition's concerns. From outside Parliament, Republican Party leader David Usupashvili said the address changed nothing, but that the government's theater production had improved. Republican David Zurabishvili said Targamadze and the CDM represent little more than a chance for Saakashvili to express gratitude to the "opposition." New Rightist Pikria Chikhradze said the speech was Saakashvili's attempt at "self-salvation" and criticized him for failing to acknowledge the Georgians who were killed in the August war. Labor Party leader Shalva Natelashvili once again called for Saakashvili's impeachment. LOGSDON